

216011

STATE OF SOUTH CAROLINA

(Caption of Case)

Melanie Wilson

Complainant/Petitioner,

v.

Utilities Services of South Carolina, Inc.,
Defendant/Respondent.

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2009 - 75 - W

(Please type or print)

Submitted by: John M.S. Hoefer, Esquire

SC Bar Number: 2545

Address: Post Office Box 8416

Telephone: 252-3300

Columbia, SC 29202

Fax: 771-2410

Other:

Email: jhoefer@willoughbyhoefer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input checked="" type="checkbox"/> Answer	<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input checked="" type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

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7 2009
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WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW

930 RICHLAND STREET

P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
RANDOLPH R. LOWELL
ELIZABETH ZECK*
BENJAMIN P. MUSTIAN
MICHAEL R. BURCHSTEAD
ANDREW J. MACLEOD

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

TRACEY C. GREEN
ALAN WILSON
SPECIAL COUNSEL

*ALSO ADMITTED IN TX

March 27, 2009

VIA ELECTRONIC FILING
AND U. S. MAIL

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
Post Office Box 11649
Columbia, South Carolina 29211

RE: Melanie Wilson, Complainant/Petitioner v. Utilities Services of South Carolina,
Inc., Defendant/ Respondent.
Docket No.: 2009-75-W

Dear Mr. Terreni:

Enclosed for filing on behalf of Utilities Services of South Carolina, Inc. are the original and one (1) copy of the Answer and Motion to Dismiss Complaint in the above-referenced matter. By copy of this letter, I am serving a copy of these documents upon the parties of record and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of these documents by date-stamping the extra copies that are enclosed and returning the same to me via our courier.

If you have any questions, or if you need any additional information, please do not hesitate to contact me.

Sincerely,

WILLOUGHBY & HOEFER, P.A.

s/John M. S. Hoefer

John M. S. Hoefer

JMSH/cf
Enclosures

The Honorable Charles L.A. Terreni
March 27, 2009
Page 2

cc: Jeffrey M. Nelson, Esquire
Melanie Wilson

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-75-W

IN RE:)	
)	
Melanie Wilson,)	
)	
Complainant/Petitioner)	CERTIFICATE OF SERVICE
)	
v.)	
)	
Utilities Services of South Carolina, Inc.,)	
)	
Defendant/Respondent.)	
_____)	

This is to certify that I have caused to be served this day one (1) copy of Defendant's **Answer and Motion to Dismiss** in the above-referenced action by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Ms. Melanie Wilson
1010 Windwood Drive
Anderson, SC 29621

Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

s/Clark Fancher
Clark Fancher

Columbia, South Carolina
This 27th day of March 2009.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-75-W

IN RE:)	
)	
Melanie Wilson,)	
Complainant/Petitioner)	
)	
v.)	ANSWER
)	
Utilities Services of South Carolina, Inc.,)	
Defendant/Respondent)	
_____)	

Pursuant to 26 S.C. Code Ann. Regs. 103-826 and 103-830, and in compliance with the Notice issued by the Commission’s Chief Clerk and Administrator dated February 24, 2009, and incorporating all defenses heretofore raised by motion and reserving all defenses which may hereafter be raised by motion, Utilities Services of South Carolina, Inc. (“USSC”) answers the Complaint/Petition of the complainant/petitioner above-named as follows:

FOR A FIRST DEFENSE

1. USSC denies each and every allegation of the Complaint/Petition except as hereinafter admitted, modified or qualified.

FOR A SECOND DEFENSE

2. The portions of the Complaint/Petition beginning on the first un-numbered page consisting of paragraphs 1-5 under the heading “**Summary of relief sought from the Commission**” do not allege a specific act or failure to act on the part of USSC and therefore do not require a response. To the extent that these five (5) numbered paragraphs may be read to allege a specific act

or failure to act on the part of USSC, same is denied and the response below to each separate “Item” of the Complaint/Petition is incorporated herein by this reference.

FOR A THIRD DEFENSE

(Lack of Jurisdiction – Failure to Exhaust Statutory Remedy)

3. Because the Complaint/Petition is an individual consumer complaint, it is required by S.C. Code Ann. §58-5-270 (Supp. 2008) to be mediated by the Office of Regulatory Staff (“ORS”). USSC states that it has cooperated and worked closely with ORS to respond to inquiries made by ORS to provide it with information regarding the issues raised by complainant/petitioner in this matter. Moreover, ORS has conducted a thorough and vigorous investigation of such matters. USSC has not, however, had an opportunity to participate in a mediation session with the complainant/petitioner before ORS and is willing to do so. In addition to being a statutory requirement, a mediation may narrow issues to be considered by the Commission and would therefore also serve administrative economy. However, in light of the mediation requirement of §58-5-270, USSC submits that the Commission does not have jurisdiction in this matter. To the extent that the Complaint/Petition purports to state any complaint other than an individual consumer complaint on behalf of complainant/petitioner, USSC denies that the Commission has jurisdiction.

FOR A FOURTH DEFENSE

(Failure to State Facts Sufficient)

4. The Complaint/Petition fails to state facts sufficient to constitute a cause of action. See S.C. Code Ann. § 58-5-270 (Supp.2008) and Commission Regulations RR. 103-819 and 824.

FOR A FIFTH DEFENSE

(Standing)

5. The complainant/petitioner lacks standing to assert any claim on behalf of any individual or entity other than herself.

FOR A SIXTH DEFENSE

6. Responding to the un-numbered paragraphs contained on the first un-numbered page of the Complaint/Petition and set forth under the heading “**Item 1 – Pass-Through Detailed justifications for relief sought from Commission**”, USSC states as follows:

a. USSC denies that the pass-through provision in its rate schedule is the same, operates the same, or is required to be or operate the same, as the periodic rate increases approved for Kiawah Island Utilities, Inc. (“KIU”) in Docket No. 2001-164-W/S. The KIU rate schedule does not contain a pass-through provision of the type approved by the Commission for USSC. The former permits KIU to only increase its **approved** rate for water service to a customer by the amount of any documented increase in the cost of purchased water acquired by KIU from the St. John’s Water Company. By contrast, the pass-through provision in USSC’s approved rate schedule is a means by which the charges imposed by a provider of bulk water service are passed through directly to the customer on a pro-rata basis without markup.

b. The pass-through provision of USSC's rate schedule is deemed just and reasonable as a matter of law inasmuch as it has been approved by the Commission. Similarly, the distribution charge provision of USSC's rate schedule is deemed just and reasonable. Rate design is a matter within the discretion of the Commission. USSC would note that elimination of the pass-through provision and/or alteration of distribution charge provision of its approved rate schedule would affect all USSC customers in that it would result in increases in monthly bills for some customers and decreases in monthly bills for other customers. Inasmuch as the instant complaint/petition is not one brought on behalf of the general body of ratepayers (see S.C. Code Ann. §58-5-270), this issue may not be addressed in this proceeding. *See also* S.C. Const. art. I, §22, S.C. Code Ann. §1-23-320 (A) and (B) (Supp. 2008). USSC denies that either the pass-through provision or the distribution charge authorized under its Commission approved rate schedule is in anyway improper.

c. The allegation that “[d]istribution-only consumers pay for water lost between master meter and individual meters” is denied to the extent that it is intended to suggest that other customers of USSC who do not receive distribution only water service do not share in the cost of unaccounted for water. Moreover, USSC submits that unaccounted for water at a level of 10% or lower has been deemed to be acceptable by this Commission for ratemaking purposes and that the

Complaint/Petition does not allege that USSC has exceeded that level in Lakewood Subdivision where complainant/petitioner resides.

d. USSC denies that unaccounted for water in the Dutchman Shores subdivision is relevant to the instant complaint/petition and denies that, during the period of September 2007 through August of 2008, this figure is demonstrated to be 13.23%. Moreover, this portion of the Complaint/Petition fails to set forth grounds for action by the Commission under S.C. Code Ann. §58-5-290 inasmuch as (1) the level of unaccounted for water will vary with any given twelve month period and must be considered in view of other twelve month periods in which unaccounted for water is less than 10% and (2) the cost of unaccounted for water is spread out over the entire USSC customer base in both distribution only charges, basic facilities charges, and commodity charges. No special conditions have been plead which would warrant different treatment for this customer or her subdivision than that accorded other customers or subdivisions served by USSC with respect to unaccounted for water levels. In further response to this portion of the complaint/petition, USSC incorporates by reference paragraph 9, *infra*.

e. USSC denies that “[d]istribution-only customers pay a distorted percentage of USSC’s distribution costs” or that there is no “documentation...supporting the distribution charge per 1000 gallons.” The distribution charge approved by the Commission in Docket No. 2005-217-WS is deemed just and reasonable as a matter

of law and the complaint/petition demonstrates no basis for a determination to the contrary. Moreover, the distribution charge in that docket was arrived at only after an audit of USSC was conducted by ORS, a settlement agreement between ORS and USSC submitted to the Commission for its review, and the rates contained therein approved by the Commission. Similarly, the distribution charge set forth in the rate schedule placed into effect under bond is the same as that proposed to the Commission by ORS in Docket No. 2007-286-WS after another audit of USSC.

f. USSC admits that it has given the Commission notice of a bulk rate increase for the City of West Columbia as contemplated by Order No. 2006-22, issued January 19, 2006, in Docket No. 2005-217-WS. USSC denies that any increase in bulk rates by the City of Columbia is relevant to the instant complaint/petition and denies that it has received any notice of an increase in bulk rates from the City of Columbia, or any other bulk supplier except the City of West Columbia. Further responding to this portion of the complaint/petition, USSC submits that strict compliance with the requirements of Order No. 2006-22 in this regard has been previously waived by the Commission in recognition of the fact that governmental entities frequently do not provide adequate notice of increases in bulk rates. See Order No. 2006-603, Docket No. 2005-217-WS. The documented efforts of the ORS, at the Commission's request, to address the need for notice of increases in bulk rates have not, to USSC's knowledge, met with success. See November 14, 2006, letter of Wendy B. Cartledge, Esq. to Charles L. A. Terreni in Docket No. 2005-217-WS. Additionally,

USSC would note that it has supplied to the Commission notice of an impending increase in bulk service rates by the Hammond Water District, which serves USSC in the subdivision in which complainant/petitioner resides, by correspondence in Docket No. 2005-217-WS dated March 24, 2009. Further responding to this portion of the complaint/petition, USSC submits that the amount of water supply charges shown on a customer bill can be affected not only by the underlying bulk rate imposed by the governmental provider, but also the timing and frequency of bulk bills versus utility customer bills, customer consumption relative to other customer consumption in a given subdivision in a given billing period, water used in maintenance and the amount of unaccounted for water in a given billing period. USSC denies that the complainant's/petitioner's invoices attached to her pleading demonstrate a water supply charge of \$2.33 per thousand gallons in June of 2007. USSC admits that the per thousand gallons charge for bulk water passed through to complainant/petitioner during the period cited varies, which variance is a product of the factors listed in the preceding sentence, and that the amount passed through to complainant/petitioner has been less than \$2.00 per thousand gallons on occasion. USSC denies that it is not "incented to control water loss" given that it routinely reports unaccounted for water figures to ORS. USSC denies that adjustments for individual consumer leaks are relevant to the pass-through provision in its rate schedule. USSC denies that complainant/petitioner is "paying 212-238% of [her] neighboring subdivisions for the same water" or that the exhibit referenced in this part of her complaint is relevant. Moreover, USSC denies that a comparison of

governmental rates with those of a public utility is pertinent. Further responding to this portion of the Complaint/Petition, USSC states that, that Hammond Water District charges USSC a **bulk** service rate that is the same as that entity's **retail** service rate charged to its customers and that USSC has no control or influence over the Hammond Water District bulk rates. Further, a significant portion of every bill paid by complainant/petitioner to USSC is not retained by USSC, but is paid to Hammond Water District. USSC would further note that a USSC customer paying "regular" monthly rates would also pay significantly more than a Hammond Water District customer for the same service

g. With respect to the request of complainant/ petitioner that the Commission eliminate the currently approved pass-through provision of USSC's rate schedule, USSC submits that rate design is a matter within the discretion of the Commission, but would note that elimination of the pass-through provision would require increases in basic facilities charges and/or commodity charges for all customers and would result in some customers seeing higher rates in order for USSC to be allowed to earn its authorized rate of return on rate base. Also, see paragraph 6(b), *supra*. Further responding to this portion of the complaint/petition, USSC submits that its rates may not be established based upon "competitive" or "marketplace" rates, but have been, and must continue to be, established based upon revenues sufficient to recover USSC's expenses and a fair rate of return on its investment.

7. Responding to the un-numbered paragraphs beginning on the fourth un-numbered page of the Complaint/Petition and set forth under the heading “**Item 2– Timely Billing Detailed justifications for relief sought from Commission**”, USSC states as follows:

a. USSC admits that it did not bill complainant/petitioner for services rendered during the period April 14, 2008, through June 10, 2008, until July 2, 2008. This delay in billing was partly associated with the implementation of rates under bond pursuant to Commission Order No. 2008-269 issued April 25, 2008. Also, and as the Commission is aware, in 2008 USSC converted to a new computer software and hardware system pursuant to the recommendation made in the Management Audit conducted of Utilities, Inc. (“UI”) and its subsidiaries by Schumacher and Company at the request of ORS. One feature of the new computer operating system, which USSC brought on line on June 2, 2008, is a program called “Customer Care and Billing” (“CCB”) which handles all of the customer consumption and billing functions. In the transition to CCB from USSC’s prior billing system, an error occurred in the billings to complainant/petitioner., Because the CCB program contained no historic consumption data, it was necessary to estimate consumption for the initial billing to customers under CCB where an actual meter reading was not available. Unfortunately, the program parameters for estimation set up for the initial billing were set too low for some customers and too high for others. As a result, many of the customers of jurisdictional utilities that are subsidiaries of UI, including USSC, received bills for service rendered in June and July with estimated amounts of

water consumption that were significantly less or more than the actual amounts of water consumption. The complainant/petitioner was one of these customers, i.e., she received a statement in July which was based upon an estimated consumption amount of 10,087 gallons for a fifty seven (57) day period, which was low. Complainant/Petitioner then received a statement in August for 12,653 gallons for a thirty (30) day service period, which had the effect of “correcting” her consumption for the eighty seven (87) day service period covered by the two bills. Therefore, her actual consumption for this 87 day period was 22, 740 gallons, or an average of 7,840 gallons for a thirty (30) day period. The average consumption of complainant/petitioner during the period she references is approximately 7,688. As a result of this correction, the complainant/petitioner has not been overcharged for water service. Second it appears to USSC that errors in the bar coding of November 2008 bill envelopes may have prevented the postal service from reading the bar codes on bills issued on behalf of UI entities, primarily in South Carolina. Removal of the bar code seems to have corrected the problem. These errors were the result of an inadvertent human or machine error. Upon discovering these errors, a letter was sent to customers informing them of the error and providing them with information regarding the nature of the error, how it might have affected them, steps being taken to address the effects of the error, assurances that no customer would be penalized as a result of the error, and apologizing for inconvenience caused by the error. A copy of this letter is attached as Exhibit “A”. As it reflects, this letter also offered a direct means of contact with the President of USSC’s parent company so that customers

could provide feedback to him. The Company's records do not reflect that the complainant/petitioner availed herself of this opportunity, which is still available to her.

b. With respect to the request of complainant/petitioner that USSC be required "to provide an alternate means of consumer access to consumption levels during periods when bills cannot be sent in a timely fashion", USSC reiterates that it does not expect the billing anomaly caused by the errors occurring during the transition to CCB to recur. Further, USSC states that once the errors causing the delayed billings were discovered, information pertaining to the problem was posted on the internet at <http://www.utilitiesinc-usa.com/ccbfaq.php> in addition to the letter sent customers described in paragraph 7(a), *supra*. However, should a customer not receive a timely bill in the future, USSC may be contacted directly by telephone call to the customer service center at the number printed on customer invoices (see complaint/petition Exhibit "J") or via the internet at <http://www.utilitiesinc-usa.com/index.php> and initiate an inquiry regarding a delayed bill. USSC does not currently have the capability to allow customers to ascertain current consumption levels via a portal on its website. This information may be obtained by contacting USSC's customer service center via telephone or internet inquiry.

9. Responding to the un-numbered paragraphs beginning on the fifth un-numbered page of the Complaint/Petition and set forth under the heading "**Item 3– Reporting Detailed justifications for relief sought from Commission**", USSC states as follows:

a. USSC denies that there is an unaccounted for water issue in Lakewood Subdivision and submits that the Complaint/Petition contains no allegation of fact supporting the conclusory statements therein pertaining to unaccounted for water. USSC submits that this portion of the complaint/petition does not demonstrate any act or failure to act on the part of USSC. See S.C. Code Ann. §58-5-270.

b. USSC denies that complainant/petitioner has been “over-charged” for bulk water as a result of unaccounted for water levels and submits that no reimbursement is due or required.

c. USSC admits so much of the Complaint/Petition as alleges that complainant/petitioner contacted the Company on January 15, 2008 to complain about a “high” bill, but denies that she was advised that a leak existed in the system serving Lakewood Subdivision. To the contrary, complainant/petitioner asserted to Company Customer Service Representative Kim Harmon that such a leak necessarily existed because of the amount of her bill. Further responding to this portion of the Complaint/Petition, USSC states that the customer was contacted by Company Field Operator Wayne Gordon on January 16, 2008, to whom complainant/petitioner asserted that the reason her water supply charge was “high” was the presence of a leak in the system serving her subdivision. USSC further states that complainant/petitioner was advised that an independent leak detection service

provider, American Leak Detection, would be dispatched by the Company to search the system serving Lakewood Subdivision for a leak. USSC further avers that on January 23, 2008, USSC Regional Manager Mac Mitchell contacted complainant/petitioner and informed her that American Leak Detection (“ALD”) had detected no leaks in the subdivision. A copy of the ALD invoice to USSC, in the amount of \$450.00, which reflects the findings of ALD, is attached hereto and incorporated herein by reference as Exhibit “B”. USSC denies that complainant/petitioner has been given “no explanation ...for the higher supply charge” and avers that on February 7, 2008, Company Lead Customer Service representative Candace Hall spoke with complainant/petitioner and explained that the water supply charge billed to customers can vary as a result of the timing and frequency of bulk bills generated by Hammond Water District.

10. Responding to the un-numbered paragraph beginning on the thirteenth un-numbered page of the Complaint/Petition and set forth under the heading “**Item 4– Scrutinize Cost Basis Detailed justifications for relief sought from Commission**”, USSC states as follows:

a. USSC denies that allocation of “employee labor costs” to USSC in the establishment of its rates – both approved and in effect under bond – places a greater share of employee expenses on customers of USSC than on customers of the other operating subsidiaries of Utilities, Inc. that are jurisdictional utilities in South Carolina.

- b. USSC denies that the allocation of “employee labor costs” correlates to the level of distribution charges for customers receiving bulk water.
- c. Further responding to this portion of the complaint/petition, USSC incorporates paragraph 6(b), *supra*.
- d. With respect to the request of complainant/petitioner for “detailed financials outlining allocation of costs incurred in distribution-only service to [customers in Lakewood Subdivision] and Utilities, Inc. (*sic*) other water companies”, USSC states that distribution charges are not established by any direct correlation between such allocated costs, but are a function of rate design approved by the Commission after a determination is made of *all* allowable costs and an appropriate return on investment specific to USSC. Further responding to this portion of the complaint/petition, USSC states that it does not maintain records “outlining the allocation of costs incurred in distribution-only service”, but that audit reports prepared by ORS in Docket Nos. 2005-217-WS and 2007-286-WS are publicly available to complainant/petitioner from either the files of the Commission or ORS.
- e. With respect to the portion of the Complaint/Petition asserting complainant/petitioner “was told that all other water companies in this area of Anderson use a contracted company to read meters” and that, to her knowledge,

“USSC is the only company in this area to employ meter readers”, USSC is without sufficient information to form a belief as to what complainant/petitioner may have been told or the accuracy of such third party statements and these allegations are therefore denied. USSC would note that, since the first of these statements is admittedly not based upon the personal knowledge of complainant/petitioner, it should not be considered as an allegation of fact. Further responding, USSC states that it, too, uses a contract meter reader for Lakewood Subdivision.

11. Responding to the un-numbered paragraph beginning on the thirteenth un-numbered page of the Complaint/Petition and set forth under the heading **“Item 5– Consolidation Basis Detailed justifications for relief sought from Commission”**, USSC states as follows:

a. This portion of the Complaint/Petition does not identify the proceeding with which complainant/petitioner seeks consolidation. Although the cover letter accompanying the Complaint/Petition references Docket No. 2009-39-W, said letter does not comport with the requirements of 26 S.C. Code Ann. Regs. R. 103-804.O, R. 103-819, and R.103-829 (Supp. 2008) and was not submitted to the Commission as a motion. See Cover Sheet, Docket No. 2009-75-W. Nor is any motion shown as pending in this docket on the Commission’s docket management system. Accordingly, there is no proper request for consolidation before the Commission.

b. Even assuming that a proper request for consolidation is before the Commission, which is disputed, the request is not sufficient under 26 S.C. Code Ann. Regs. R. 103-840, in that complainant/petitioner has failed to do anything other than cite the regulation, paraphrase some of its terms, and state (in effect) that administrative economy would be served by reducing multiple proceedings without any factual basis for same. USSC submits that these statements are insufficient to allege, much less establish, grounds for consolidation inasmuch as no specific statement of how the issues of law and fact are similar in the two dockets. *Cf. In Re: Application of Carolina Water Service, Inc. for Approval of a Transfer*, Order No. 96-756, Docket No. 96-235-W/S, October 31, 1996 (holding that a general allegation that consolidation is appropriate under former S.C. Code Ann. Regs. R. 103-864 (1976) with no specific assertion as to how issues of law and fact are similar in two separate dockets is insufficient basis to consolidate cases).

c. Again assuming that a proper request for consolidation is before the Commission, which is disputed, USSC submits that individual consumer complaints must be mediated by ORS in accordance with S.C. Code Ann. §58-5-270 (Supp. 2008) and, until such time as the instant Complaint/Petition has been so mediated, the assertion that the two dockets involve a similar question of law or fact is speculative.

d. Continuing to assume that a proper request for consolidation is before the Commission, which is disputed, USSC submits that the rights of USSC will be

prejudiced since the facts and circumstances involving separate water distribution systems situated in two different counties and involving the bulk water charges of two different governmental bulk water providers are entirely different. Similarly, the complaint/petition in Docket No. 2009-39-W contains allegations of fact and assertions of law different than those found in the instant case and will create confusion in evidentiary presentations that will not be conducive to administrative economy or in the public interest.

e. Finally, if the Commission is disposed to grant the request for consolidation, USSC submits that procedural safeguards should be implemented to insure fairness and economy in the process. Specifically, USSC avers that on any issue of law or fact determined by the Commission to be similar, the individual complaining consumers in the two dockets be limited to presenting a single evidentiary witness on any such fact issue and a single legal argument on any such legal issue.

12. The portions of the Complaint/Petition beginning on the fourteenth un-numbered page consisting of four un-numbered (a) paragraphs under the heading “**Closing**” do not allege a specific act or failure to act on the part of USSC (not otherwise addressed hereinabove) and therefore do not require a response. To the extent that these un-numbered paragraphs may be read to allege a specific act or failure to act on the part of USSC, same are denied. USSC denies that complainant/petitioner is entitled to “rate relief.” Further responding to this portion of the Complaint/Petition, USSC states that it is willing to consider any offers it receives for the purchase

of the subject system, but has received no such offers. In addition to governmental entities and other public utilities, USSC notes that the customers could acquire and operate the system themselves and be exempt from economic regulation should they so choose. See 26 S.C. Code Ann. Regs. R. 103-702.7.

WHEREFORE, having fully set forth its Answer, USSC requests that the Commission issue an order dismissing the Complaint/Petition and granting such other and further relief to USSC as is just and proper.

s/John M.S. Hoefer

John M.S. Hoefer

Benjamin P. Mustian

WILLOUGHBY & HOEFER, P.A.

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Defendant/Respondent

Columbia, South Carolina
This 27th day of March, 2009



August 7, 2008

RE: IMPORTANT INFORMATION REGARDING YOUR WATER AND/OR SEWER BILL

As previously announced, our company implemented a new Customer Care and Billing system approximately 60 days ago. There are many enhancements in our new system that will help us better serve our customers:

- Ability for real time dispatching of service requests to reduce service disruption time
- Increased operating efficiency
- Cleaner bill design which includes itemization of billing charges, graphs for consumption and billing history
- Billing more closely linked to the usage period, so customers can change their usage or detect possible leaks earlier

Transitioning to a new billing program requires an extensive amount of planning. Even with all of the planning that went towards the implementation of our new system, we experienced some unforeseen issues and have taken the necessary steps to resolve them. During the past 60 days, some of our customers may have experienced a few issues for which we would like to provide you an update:

- A small number of customers may have experienced a delayed first bill cycle, which then shortened the timeframe for their second bill or were billed for two periods together. ***This issue should be resolved after you have received your first two bills.***
- Some customer bills may have been delayed or not received. ***If any of the system start-up issues have caused a late fee to be assessed to your account, they will be automatically waived. You do not need to call Customer Service to be credited for the late fee; these specific late fees will be credited on an upcoming bill.***
- The initial system conversion has caused a greater number of bills to be estimated during this time and in most cases, *underestimated*. The impact of this is that customers may see a higher subsequent bill when the actual read is taken. ***If you are not on an increasing tiered usage rate, your account will be current after you receive a bill based on an actual reading. You are not being billed for any water you have not used, you are just being billed later for that usage. If you DO have an increasing tiered usage rate and your usage was estimated, Customer Service is reviewing your bill and you will receive an adjustment on an upcoming bill. In either case, no action is required on your part.***

As a result of this change, we temporarily received a higher than usual call volume and longer than desired wait times. We value our relationship we have with each of our customers and I apologize for any inconvenience that this transition period may have caused you. We know your time is important. It is our expectation that our new Customer Care and Billing system will be a vast improvement over our prior system and I welcome feedback from you at president.ccb@uiwater.com. In addition, further information can be found at www.uiwater.com/ccbfaq.php.

As always, we look forward to our continued relationships and providing you with the high level of service you have come to expect from Utilities, Inc.

Sincerely,

A handwritten signature in dark ink, appearing to read "Larry N. Schumacher", written over a horizontal line.

Larry Schumacher
President and CEO



Each Office is Independently Owned and Operated ALD191SCA

Send Payment to:

AMERICAN LEAK DETECTION
P.O. BOX 1905
IRMO, SC 29063-1905
COLUMBIA (803) 749-LEAK (5325)
GREENVILLE (864) 269-5325

This Invoice is Due on Presentation

BILL TO
<i>Utilities Services of S.C Attention: Accounts Payable 2335 Sanders Road Northbrook, IL 60062</i>
SITE
<i>Lakewood Subdivision Business Unit # 401 180/PO # 4053 Anderson, SC</i>

INVOICE #
11178
STARTING DATE
1/23/2008
DATE COMPLETED
1/23/2008
TECHNICIAN
GCP

DESCRIPTION	AMOUNT
Business Unit # 401 180 PO# 4053 Perform leak detection on potable water line for Lakewood Subdivision at Lakewood Drive off Brown Road. Did not pick up any signal that would indicate a leak.	450.00
Batch <u>16682</u> Doc <u>32194</u>	
WORK ORDERED BY <u>Wayne</u>	
RECEIVED JAN 31 2008	TOTAL AMOUNT DUE IS PAYABLE ON PRESENTATION OF INVOICE TOTAL AMOUNT DUE \$450.00

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-75-W

IN RE:)	
)	
Melanie Wilson,)	
)	
Complainant/Petitioner)	MOTION TO DISMISS
)	
v.)	
)	
Utilities Services of South Carolina, Inc.,)	
)	
Defendant/Respondent.)	
<hr/>)	

Pursuant to 26 S.C. Code Ann. Regs. R. 103-829 (Supp. 2008), Utilities Services of South Carolina, Inc. (“USSC” or “the Company”) herein moves the Public Service Commission of South Carolina (“Commission”) to dismiss the above-captioned matter on the ground that the Commission lacks jurisdiction over the “Complaint/Petition” filed in the above-referenced docket.

Specifically, under S.C. Code Ann. §58-5-270 (Supp. 2008), the Complaint/Petition must be filed with and mediated by the Office of Regulatory Staff (“ORS”). The Complaint/Petition contains matter which was not brought to the attention of USSC by the complainant/petitioner prior to the filing of the Complaint/Petition and no mediation before ORS has taken place on any of the matter set forth in the Complaint/Petition. Accordingly, complainant/petitioner has failed to exhaust a statutory remedy and the Commission therefore lacks jurisdiction.

For the foregoing reason USSC respectfully moves that Complaint/Petition be dismissed.

s/ John M. S. Hoefer

John M.S. Hoefer

Benjamin P. Mustian

WILLOUGHBY & HOEFER, P.A.

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Defendant/Respondent

Columbia, South Carolina

This 27th day of March, 2009